

the rest of the G7 countries combined. This job growth is not isolated to just one part of the country. Employment increased in 48 States over the past 12 months, ending in May.

Not only is the number of jobs on the rise, so, too, are wages. Hourly compensation has risen 3.9 percent over the past year, while average weekly earnings have grown to 4.5 percent.

The economy is strong, strong and poised to stay strong. The gross domestic product, a broad measure of the economy, grew at an annual rate of 5.6 percent for the first quarter of this year. This is the fastest growth in 2½ years and even stronger than previous estimates. It follows economic growth of 3.5 percent in 2005, the fastest rate of any major industrialized nation.

This remarkable growth has come on the heels of the burst of the technology bubble, the devastating attacks of 9/11, corporate scandals and destructive natural disasters. Similar to the American people, the economy has weathered the storm. The economy has done so due, in large part, to the Republican tax cuts and progrowth policies instituted since 2001.

On restraining spending, the question becomes, What can we do to continue these positive trends? I believe the answer includes keeping taxes low and restraining spending. We need to work harder in holding down our excessive spending. With respect to the latter, I remain gravely concerned about the runaway growth of mandatory spending. For example, 20 years ago entitlements, or mandatory spending, comprised 45 percent of the budget. Today they comprise nearly 60 percent of our \$2.8 trillion budget. If left unchecked, spending on just three entitlement programs—Medicaid, Medicare and Social Security—will consume 20 percent of our gross domestic product in just 30 years. To put that in perspective, the entire Government consumes 20 percent of gross domestic product today. Clearly, the growth is unsustainable and threatens our economic well-being, as well as that of our children and grandchildren.

I commend the Budget Committee chairman, Chairman GREGG, for his leadership on this issue and for introducing, along with myself and 24 other cosponsors, the Stop Overspending Act of 2006. This bill proposes tough measures to force Congress and the administration to adhere to a disciplined budget process.

The bill includes a line-item veto, or expedited rescission process, to allow the President to identify items of wasteful spending and send them to Congress for an up-or-down vote. It creates a new mechanism to essentially balance the budget by 2012. It reinstates discretionary spending caps in law, and it creates a bipartisan commission to identify and eliminate agency duplication and programs that have outlived their usefulness, as well as a commission to ensure the solvency of entitlement programs. It ensures a

budgeting process to allow Congress to have more oversight, and it addresses the shadow budget that has developed due to emergency spending by building reasonable assumptions of emergency spending into the discretionary caps.

In conclusion, the economy is strong, progrowth economic policies have fueled robust expansion which has, in turn, increased revenues at a rapid pace. As a result, the deficit is on target to be cut in half by 2008, a year earlier than the President's schedule. To continue these positive economic trends, we need to keep taxes low and further restrain spending.

I yield the floor. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DEMINT. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. AL-LARD). Without objection, it is so ordered.

#### GOP TAX POLICIES

Mr. DEMINT. Mr. President, I come to the floor amazed that our Democratic colleagues still claim that tax cuts are to blame for the budget deficit. In criticizing the President, they fail to mention that the previous administration handed this President a recession, corporate scandals, and a worldwide terror network that had gone unchallenged for 8 years. Now, similar to President Clinton, the Democrats say we need to raise taxes.

This is the same, tired argument they have used since the 1980s. Ronald Reagan answered them ably in his own humorous way when he said doing away with tax cuts in order to balance the budget was "like trying to pull a game out in the fourth quarter by punting on third down."

Now the new midsession review is answering these tax cut critics again. When we cut taxes, we invest in economic growth, which not only creates jobs but brings in new tax receipts, and that helps balance the budget. It also puts more money in the pockets of the American people.

Last year, we were happily surprised to see that the budget deficit for 2005 came in at \$108 billion less than anticipated due to the unexpected rise in tax receipts stemming from economic growth. This year, we see the same trend. The midsession review states that tax receipts have produced another \$127 billion in new revenues. This is exactly the opposite of what Democrats claimed would happen when we passed the jobs and growth tax cut packages in 2001 and 2003. One of my Democratic colleagues from Michigan said at the time that this bill would "create fewer jobs than what is needed" and "dramatically increase the deficit and national debt. . . ."

Another Democratic colleague from Wisconsin justified his vote against the

jobs and growth package saying: "I am still looking for the part of the package that will result in jobs and economic growth."

Senators, look no further. In addition to the \$235 billion total in new revenues, we have created 5.4 million jobs since August of 2003. And the Democrats still say that we can't afford tax cuts.

Republicans and the American people know better. A shrinking deficit and more Americans at work are proving we can't afford to raise taxes. I encourage my Democratic colleagues to remember what President John F. Kennedy—John F. Kennedy, one of their own—said, that "the soundest way to raise revenues in the long run is to cut tax rates now."

President Kennedy's words still ring true today. Cutting taxes allows working American families to keep more of their hard-earned dollars and encourages businesses to be competitive and invest in future growth.

Both Presidents Kennedy and Reagan understood it is business, not Government, that creates jobs and prosperity. This is why Republicans will continue to fight to stop future Democratic tax increases, to make Republican tax relief permanent, and push for comprehensive tax reform.

I am pleased that this midsession review offers yet more proof that the Republican's agenda to secure American jobs and balance the budget is working. We are making progress. It is third down and time for us to run the ball for a touchdown—not punt it away.

I yield the floor.

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

#### DEPARTMENT OF HOMELAND SECURITY APPROPRIATIONS ACT, 2007

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of H.R. 5441, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 5441) making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2007, and for other purposes.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. GREGG. Mr. President, we are now back on the Homeland Security bill, which is an important piece of legislation as it addresses the issues of how we protect our Nation and how we deal with border security and threats involving potential weapons of mass destruction. It also addresses the issue of the management of the Department of Homeland Security, especially in areas where there have been issues, primarily—well, almost every function of